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MEDIA RELEASE

Victorian brown coal policy offers development pathway for Latrobe Valley beyond energy security

Brown Coal Innovation Australia (BCIA) has welcomed the Victorian Government's 'Statement on Future Uses of Brown Coal' as an important step forward in effectively and efficiently tackling climate change through support for low-emissions development of the world class Latrobe Valley brown coal resource.

The Government's policy was released by Minister for Industry, Employment and Resources Wade Noonan late today and recognises the need for ongoing industry-focused research and development in carbon capture and storage and other new technologies imperative to the sustainable use of coal for energy and value-added products.

BCIA Chief Executive Brian Davey said: "Victoria's brown coal resource is critical to the long term future prosperity of the Latrobe Valley and the State as a whole. The Government's policy was developed over a long period with the involvement of a broad range of stakeholders throughout the Latrobe Region and the wider community."

BCIA provided a comprehensive submission to Minister Noonan as part of the policy development process and urged the Government to provide a framework that would ensure investment stability and the correct market signals to allow for future development.

"The Government's policy strikes an appropriate balance between the economic opportunities that brown coal offers and the need to mitigate and enhance the environmental impacts from the use of coal. Importantly, it also aligns with the Finkel Review recommended actions to create a reliable and affordable energy system," Mr Davey said.

"One of the significant features of the Victorian Government's policy is the flexibility it provides to developers of new low emissions projects that will utilise coal for products other than electricity. This accessibility and support for innovation is critical to providing a pathway to a long term sustainable future for the Latrobe Valley. The 'open for business model' provides opportunities for new and innovative companies to take up the challenge," said Mr Davey.

Brown coal is Victoria's single largest natural resource and is a carbon resource of world class standard with low ash, sulphur and heavy metals. It can be converted to many high value products including, but not limited to: hydrogen, activated carbons, urea, soil conditioners, dimethyl ether (a LPG substitute), chars and many others.

Mr Davey said: "BCIA recognise that the coal industry has provided long term, highly skilled jobs for a large proportion of the Latrobe Valley community and the very substantial supply chain that supports the industry is critical to the continuing economic health of the Valley.

"With a coal resource that offers hundreds of years at today's usage rates, it is heartening that the Victorian Government's policy, together with the Finkel review actions and the Edwards review recommendations, will not leave this valuable resource stranded beneath the ground, along with the energy security and jobs that can be generated through low emissions coal use."

Mr Davey was particularly pleased to note the strong endorsement BCIA received from the Edwards Review which was referenced in the Victorian Government's Statement on Future Uses of Brown Coal. The review found that the research

and development model practiced by BCIA for brown coal research was successful and appropriate and that the independence, flexibility and agility of the model provided an excellent return for public funds invested.

The Victorian Government commissioned the 'Review of Brown Coal Projects and Programs Funded by the Victorian Government' (the Edwards review) to examine the effectiveness of current and past programs relating to brown coal and to understand the possible future pathways for project assessment.

BCIA launched a comprehensive report in the Latrobe Valley earlier this year detailing the outcomes from its research program and showing the way to a range of prospective new industries based around the vast brown coal resource in the Latrobe Valley.

The report, '*Positioning brown coal for a low-emissions future*', details the research, technologies and opportunities associated with the sustainable use of brown coal and covers the work undertaken by BCIA and its partner organisations during recent years.

The report argued that a continued strategic focus and on-going investment in research, development and commercialisation, together with a supportive policy framework, was needed to enable the Latrobe Valley's progression to a world centre for the manufacture of environmentally responsible, high-value, coal-derived products.

During its first five years of operation, BCIA has facilitated investment of more than \$50 million in research and skills development focused on environmentally responsible uses of coal. Nearly 50 local and international companies, governments and research institutes have contributed to BCIA's research portfolio.

The research funded by BCIA has already resulted in six patents and generated more than 600 published articles and presentations. In addition, the multi-million dollar research program has supported nearly 40 higher degree students and directly funded 16 PhD scholarships; significantly contributing to the building of Australia's scientific capability.

BCIA's report, '*Positioning brown coal for a low-emissions future*' is available by contacting BCIA at info@bcinnovation.com.au

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